



Improving lives for a lifetime.

## **Representative Horn LIEEF Funding Hearing**

TrueNorth Community Services provides a wide array of programs and services designed to promote the self sufficiency of Michigan residents in a 15 county region of West Central Michigan. In operation for 40 years, TrueNorth specializes in serving the needs of rural communities; one of these needs is heat and energy assistance. In 2010 TrueNorth was the fourth largest non-profit agency recipient of LIEEF funds.

### ***The Challenge of Heat and Energy Assistance in Rural Communities***

LIEEF funds are essential for Michigan citizens living in rural communities. The unique challenge of rural heat and energy is highlighted by high level dependence on deliverable fuels. Deliverable fuels include propane, heating oil, and wood products; these fuels are a major source of heat and energy for approximately 70% of Michigan's geographic area. Deliverable fuels operate in a "cash on delivery" market. Unlike regulated natural gas and electric companies that have winter shut-off protection and budget plans, Michigan's rural citizens who do not have the cash for a complete fill of their propane or oil tanks receive no energy and are left without heat in their dwelling. In addition, the base cost of propane and heating oil is three to four times the cost of natural gas.

An astounding 40% of rural housing stock is Pre-World War II. These homes are aging, not energy efficient and frequently too old to consider for weatherization services to mitigate high energy utilization. In addition, much of the rural housing landscape is filled with aging trailers and modified hunting cabins. This housing stock reality leads to a higher than normal consumption of energy in rural low-income homes.

### ***LIEEF Impact in Rural Michigan***

TrueNorth has received LIEEF grants for the past 8 years for our multi-county consortium of rural high poverty counties. This funding has been essential to fill the gaps left for consumers who have deliverable fuels as their heat source. Typically consumers who receive DHS SER funding have additional unpaid arrearages or a bill that exceeds the DHS cap and have no other resources to resolve the outstanding bill to restore their heat. Without LIEEF funding (and no option for regulated utility protection plans) rural consumers go without heat. 40% of LIEEF funding distributed by TrueNorth went to deliverable fuels such as propane, heating oil, wood and other alternative heating sources.

### ***Today's LIEEF Recipient Profile***

Last year in 2010, 57% of LIEEF recipients at TrueNorth were first time clients; seniors and families who had never sought help before. These are our 'newly poor', those who struggle to stay afloat in today's difficult economic climate for the first time. This year in 2011, our current projections indicate that 64% of those seeking help are first time recipients.

The vast majority of LIEEF funds serve Michigan's most vulnerable individuals, the elderly and households with young children. At 2010 funding levels, half of all eligible households received assistance; with the projected decrease in Federal LIHEAP funding, even if LIEEF is restored, less than one in three eligible households will receive assistance in the 2011/2012 heating season.

### ***Keeping the Vulnerable Safe***

For any family with children living in a home without heat, agencies who become aware of a safety issue are mandated to report unsafe living conditions to the Department of Human Services Child Protection Services. Without heat in the home, DHS is required to remove the children. Not only is this a highly traumatic experience for the children and their parents but it will overwhelm the foster care system designed to care for children while in protective services.

Likewise, if an elderly or disabled person deemed to be unsafe (living without heat in the dead of winter), agencies are mandated to report to Adult Protective Services for investigation of the situation and protection of the individual.

### ***The Value of LIEEF***

LIEEF funding represents a solid investment for our Michigan's citizens. For an investment in our citizens safety, in 2010 LIEEF dollars impacted the lives of over 70,000 Michigan residents. In addition to the obvious safety benefits of warmth and light, LIEEF funds have a value added effect by contributing to good health: reducing emergency room visits, hospitalization, and medical costs of cold related illness. Additionally, elderly citizens are able to maintain a quality of life while living independently; and finally, children who would otherwise be at risk, have safe and warm homes in which to thrive.

### ***Recommendation***

TrueNorth's experience in rural Michigan leads us to the conclusion that LIEEF funding is essential for the state's most vulnerable citizens, especially those facing the unique challenges of rural, deliverable heat sources. LIEEF represents an important value for our Michigan citizens that impacts the state by ensuring we have a safety net for those in need.

On behalf of TrueNorth and those we serve we are extremely grateful for your attention to this issue and thank you for your timely consideration.